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INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR THE ELABORATION OF AN INTERNATIONAL
CONVENTION TO COMBAT DESERTIFICATION
IN THOSE COUNTRIES EXPERIENCING SERIOUS
DROUGHT AND/OR DESERTIFICATION,
PARTICULARLY IN AFRICA
Eighth session
Geneva, 5-16 February 1996
Agenda item 2

PROGRAMME AND BUDGET

Note by the Secretariat

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I. INTRODUCTION

1. After discussion of the programme and budget at the seventh session of the INCD, both in Working Group I and in the Committee, the INCD adopted decision 7/4. This decision invited the Interim Secretariat to "submit a revised version of document A/AC.241.36 related to programme and budget at the eight session, taking into account the views expressed by delegations at its seventh session." This note responds to that request.

2. In preparing this note the Secretariat took account of discussions and decisions at the seventh session not only regarding the programme and budget but also regarding closely related topics. These included financial rules, administrative arrangements for the Permanent Secretariat and location of the Permanent Secretariat. The note reflects individual points made by delegations in Working Group I as well the tentative agreement that emerged on the overall structure of the programme of work and the general categories to be used in presenting the budget. It takes account of, but does not repeat, background material found in document A/AC.41/36.

3. The note is structured to reflect the elements of the three decisions that the first session of the Conference of the Parties (COP) needs to take on the programme and budget. They are decisions on: (a) the programme of work of the COP, (b) the core budget of the Convention and issues related to it, and (c) special purpose funds. These decisions are taken pursuant to article 22, paragraph 2(g) of the Convention regarding the adoption of a programme and budget and to the financial rules approved in accordance with article 22, subparagraph 2(e). The note lays out not only the elements of the decisions themselves but the nature of the supporting materials the Secretariat would present. In reading it, delegations will need to refer to the revised financial rules in document A/AC.241/45.

4. After discussing this note, Working Group I may wish to consider an INCD decision which would request the Secretariat to use it, taking account of comments by delegations at the eight session, as a basis for preparing appropriate draft decisions of the COP, a draft programme of work, detailed budget estimates and supporting materials. This documentation could be presented for consideration by the INCD at the last session prior to the first session of the COP on the basis of the evolution of the Committee's consideration of other items on the COP's agenda. Particularly important in this regard would be the location of the Permanent Secretariat, the arrangements for its functioning and the substantive task to be assigned to it in initial implementation of the Convention.

II. PROGRAMME OF WORK FOR SESSIONS OF CONFERENCE OF PARTIES

5. The COP decision on its programme of work would cover items to be considered at its first and second sessions, that is through the end of the first financial period specified in paragraph 2 of the draft financial rules. The programme of work would have two parts: standing items, or substantive matters the COP would normally take up at all its sessions, and selected agenda items that the COP would review periodically.

6. The following are examples of standing items:

(a) review of the implementation of the Convention, and of its institutional arrangements, pursuant to article 22, subparagraphs 2(a) and 2(b), and article 26 of the Convention;

(b) review, pursuant to article 22, subparagraph 2(d) of the Convention, of the report of the Committee on Science and Technology, including its recommendations to the COP and its programme of work, and the provision of guidance to it;

(c) review, pursuant to the same article, of the report of the Global Mechanism on its activities, and the provision of guidance to it;

(d) review of available information regarding the financing of Convention implementation by multilateral agencies and institutions, including information on the activities of the Global Environment Facility (GEF) concerning desertification that relate to its four focal areas, as specified in article 20, subparagraph 2(b) of the Convention; and

(e) adoption or adjustment of the programme and budget.

7. Selected agenda items could include topics such as:

(a) specific scientific, technical and technological matters detailed in articles 16-18 and 24-25 of the Convention, which are listed in the annex to document A/AC.241/37;

(b) cooperation in the areas of capacity building, education and public awareness detailed in article 19 of the Convention;

(c) consideration of financial approaches and policies pursuant to article 21, paragraph 1, of the Convention, to the extent that is not done in providing guidance to the Global Mechanism;

(d) promotion and strengthening of relationships with other conventions in accordance with article 8 and article 22, subparagraph 2(i) of the Convention;

(e) consideration and adoption, pursuant to article 27 of the Convention, of procedures and mechanisms for resolution of questions that may arise with regard to implementation (if not accomplished at the first session of the COP);

(f) adoption, in accordance with article 28, subparagraph 2(a) of the Convention, of an annex containing arbitration procedures (if not accomplished at the first session of the COP); and

(g) periodic consideration of any amendments to the Convention that Parties propose pursuant to article 31 of the Convention.

III. CORE BUDGET AND RELATED ISSUES

8. The COP decision on the core budget and related issues would have a number of elements, which the following parts of this section describe.

A. Core budget

9. The first session of the COP would adopt, pursuant to paragraph 4 of the financial rules, the core budget of the Convention for the upcoming biennium, based on the estimates that the head of the Permanent Secretariat presents pursuant to paragraph 3 of the rules. In accordance with the rules, core budget expenditures would be financed by contributions according to the scale referred to in subparagraph 12(a) of the rules. They would also be funded by any additional contributions made pursuant to subparagraphs 12(b) and 12(c) of the rules for the specific purpose of offsetting core budget expenditures by the Government hosting the Permanent Secretariat, and by the institution within the framework of which the Permanent Secretariat is placed for administrative purposes.

10. The host government and the host institution could also provide personnel or services directly from their own budgets, which the COP would have to take account of in its decision. For example, the General Assembly could, at the request of the INCD, subject to confirmation by the COP, make provision in the regular budget of the United Nations for conference services for the second and third sessions of the COP, as it is already doing for the first session. It might possibly also, as a number of delegations have suggested, approve regular budget appropriations covering a portion of the core expenditures of the Permanent Secretariat.

11. The core budget adopted by the COP would contain the following main appropriation lines.

(a) Policy making organs, including all expenditures directly connected with holding meetings of the COP and the Committee on Science and Technology, particularly conference services, and any expenses not otherwise reimbursed by host governments for travel of staff members of the Permanent Secretariat to COP sessions held away from its site

(b) Executive direction and management, including the staff costs and travel expenses (when not directly attributable to another programme) of the head of the Permanent Secretariat, of personnel in his or her immediate office and of other staff members with overall management and administrative responsibilities

(c) Review of implementation, including expenditures for staff, and possibly travel, consultants, experts and contractual services, authorized to support the communication of information by Parties and the review of such information by the COP

(d) Document preparation and legal support, including expenditures on staff costs, travel and consultants involved in drafting documents for COP sessions, except those in the areas of review of implementation and science and technology, and in providing legal advice

(e) Science and technology, including:

(i) expenditures for staff costs and travel of members of the Permanent Secretariat preparing documents for, and otherwise supporting, the activities of the Committee on Science and Technology, except expenditures covered in subparagraph (a), as well as the costs of any consultants required, and

(ii) all the expenditures connected with the establishment and maintenance of a roster of experts and with the work of ad hoc panels appointed by the COP in accordance with article 24, subparagraphs 2 and 3, of the Convention

(f) Facilitation of implementation, including:

(i) any expenditures for the Global Mechanism not absorbed by the institution hosting it that are charged to the Convention budget; and

(ii) expenditures for staff costs, travel, consultants and contractual services connected to the public information, external relations, coordination and other facilitation activities of the Permanent Secretariat, with governments, other convention secretariats, intergovernmental organizations and non-governmental organizations, including the facilitation of consultative processes in accordance with article 18, paragraph 4, of the regional implementation annex for Africa, article 8, paragraph 3, of the Asian annex and article 7, paragraph 2, of the Latin American and Caribbean annex, as well as any appropriate facilitative activities in support of the regional implementation annex for the Northern Mediterranean

(g) Administrative support, including expenditures for rental and maintenance of premises; utilities; purchase, rental and maintenance of furniture and equipment; communications, supplies and materials; and any programme support charges owed to the institution within the framework of which the Permanent Secretariat is placed

12. The Secretariat would present the following materials in connection with adoption of the core budget:

(a) A draft decision, including a table showing:

(ii) total projected expenditures in each main appropriation line for each year of the biennium,

(iii) expenditures required to constitute the working capital reserve that the COP approves,

(iv) contributions financing the expenditures in (i) and (ii) from each of the sources referred to in paragraph 9 above, and

(v) assumptions regarding services provided by the host government and the host institution from their own budgets

(b) Tables showing the breakdown of expenditures for each programme category into the following high-level object-of-expenditure categories, which are adapted from the standard United Nations classification to take account of the likely size of the Convention budget, as well as activities that might be involved in implementing the Convention:

(i) conference services, including expenditures for premises, equipment rental, interpretation, translation, document processing, registration of delegates, hospitality, temporary assistance and other conference services connected with meetings of the COP and its subsidiary bodies;

(ii) staff costs, including the total of the salaries, differentials, allowances and entitlements of the staff of the Permanent Secretariat and of any general temporary assistance staff integrated in its operations;

(iii) consultants, experts and contractual services, including the fees and travel expenses of consultants, of personal service and institutional contractors and of experts participating in ad hoc panels pursuant to article 24, paragraphs 2 and 3 of the Convention, as well as payments to outside entities for training of Permanent Secretariat staff, for translations, for the production and distribution of publications and other public affairs materials, and for data processing services;

(iv) official travel of staff, including the travel expenses of members of the Permanent Secretariat to United Nations headquarters, to sessions of the COP and its subsidiary bodies, to other intergovernmental meetings, to relevant seminars, workshops and conferences and to consultations with governments and other secretariats;

(v) administrative expenses, including expenditures for rental and maintenance of premises; utilities; purchase, rental and maintenance of furniture and equipment; communications, supplies and materials; and

(vi) programme support charges, that is payments for services rendered by the organization or organizations providing administrative support to the Permanent Secretariat, often expressed as a percentage of expenditures against funds administered for the COP by the organizations

(c) A table summarizing budget requirements by high level object-of-expenditure category

(d) Tables showing the person years of staff requirements for each programme category by level of post

(e) Narrative sections that:

(i) outline activities in each programme category and give details about expenditures and staff requirements, including breakdowns of high-level object-of-expenditure categories into subcategories;

(ii) explain the estimation of contributions and the operation of the working capital reserve;

(iii) give details about the functions of the Permanent Secretariat staff post by post; and

(iv) reproduce materials provided by the institution housing the Global Mechanism (GM) to justify any GM expenditures to be financed by the COP

B. Core staff of the Permanent Secretariat

13. As part of its decision on the core budget, the COP would approve a table setting out the core staff requirements of the Permanent Secretariat for the biennium, showing the number of posts, if any, at each level (Head, D2, D1, P5, P4, P3, P1/P2 and General Services). In presenting a draft of this table, in addition to the supporting material described in paragraph 12, subparagraph (e)(iii) above, the Secretariat would also provide, as background, an overall organization chart of the Permanent Secretariat, including and clearly distinguishing staff paid from the special purpose trust funds or subaccounts discussed below.

C. Scale of contributions

14. In accordance with paragraph 13 of the financial rules, the COP shall determine the scale for annual contributions by Parties referred to in subparagraph 12(a) of the rules, which would be based on the United Nations scale with certain adjustments. To facilitate this decision, an appendix to the core budget estimates would show the percentage scale of contributions and translate that scale into the absolute value of contributions required from each Party for each year of the biennium. The latter would depend on the size of the core budget, as approved, on the level of the working capital reserve and on expected contributions from the Government hosting the Permanent Secretariat and from the institution in the framework of which it is placed.

15. At the seventh session of the INCD, several delegations asked for examples of the percentage scale. At the beginning of the eighth session, the Secretariat will provide a table showing such percentages on the assumption that all Governments and regional economic integration organizations that signed the Convention, or acceded to it by the end of January 1996, would be Parties. This table will present alternative percentages to demonstrate the impact of various adjustments under discussion in the negotiation of subparagraph 13(b) of the financial rules.

D. Other elements of core budget decision

16. In addition to the factors above, a number of other elements would enter into the COP decision on the core budget and related issues. The COP would, in particular:

(a) determine, pursuant to paragraph 6 of the financial rules, the limits up to which the head of the Permanent Secretariat may make transfers between the main appropriation lines of the core budget;

(b) determine, pursuant to paragraph 8 of the financial rules, the size of the working capital reserve (if the rules themselves do not do so);

(c) note the timing of annual contributions by Parties and urge prompt and full payment; and

(d) request the head of the Permanent Secretariat to report on income and budget performance at the following session, in particular by comparing budget estimates with actual expenditures, and to propose any adjustments needed in the core budget.

IV. SPECIAL PURPOSE FUNDING

17. As presently drafted, the financial rules provide for two special purpose trust funds or subaccounts to receive from a variety of sources contributions other than contributions dedicated to financing the core budget:

(a) a supplementary trust fund or subaccount for facilitation of assistance to affected developing countries in compiling and communicating information, as well as identifying technical and financial needs associated with action programmes, for support to the participation of non-governmental organizations in COP session, and for other appropriate purposes consistent with the objectives of the Convention, such as public information and awareness raising activities; and

(b) a special trust fund or subaccount to support the participation in COP sessions of representatives from developing countries eligible under the rules for this support (either affected developing countries, particularly those in Africa and the least developed among them, or solely affected least developed countries, particularly those in Africa, depending on the outcome of negotiations on this point).

18. The COP would not formally approve expenditures from these two trust funds or subaccounts, however, it would, after reviewing budget estimates for them, adopt a decision, separate from that regarding the core budget, which:

(a) notes the estimates for each of them for each year of the biennium;

(b) notes and welcomes contributions to them already pledged from governments, intergovernmental and non-governmental organizations and other sources;

(c) notes any balance to be carried over to them from the two extrabudgetary funds established by General Assembly resolution 47/188;

(d) invites further contributions to them; and

(e) requests the head of the Permanent Secretariat to report to the second COP session on their status and to propose any adjustments needed in their management.

19. In presenting separate tables, estimates and supporting materials for the supplementary trust fund or subaccount, the Secretariat would parallel the procedures that Section II above outlines for the core budget. In doing so, the Secretariat would, as needed, select appropriate programme and object-of-expenditure categories from those listed. One additional object-of-expenditure category would be required: grants, that is transfers to governments or organizations for purposes such as those listed in subparagraph 17(a) above.

20. The separate tables, estimates and supporting materials that the Secretariat would present for the voluntary trust fund or subaccount would be simpler. Expenditures in this case would be entirely in one programme category, policy making organs, and one object-of-expenditure category not used elsewhere, travel of participants. Narrative justification for the estimates would be similar to that which the Secretariat presently provides for expenditures under the Special Voluntary Fund established by General Assembly Resolution 47/188 for the participation in sessions of the INCD of developing countries affected by drought and desertification, in particular the least developed countries.